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# HOUSING NEWS

★ KEEPING HOUSING ISSUES IN THE FOREFRONT ★

## PEW CHARITABLE TRUSTS STUDY: 1 IN 33 HOMEOWNERS MAY BE IN FORECLOSURE WITHIN THE NEXT TWO YEARS



In a joint effort between the Pew Center on the States and Pew's Health and Human Services Program, *Defaulting on the Dream: States Respond to America's Foreclosure Crisis* is the first-ever, comprehensive look at what all 50 states and the District of Columbia are doing to try to address the

subprime mortgage fallout. Released on April 16, 2008, the Pew report found that one in 33 homeowners is projected to be in foreclosure primarily over the next two years, as a result of subprime loans made in 2005 and 2006. In some states, the outlook is especially grim; for instance, nearly one in 11 homeowners in Nevada and one in 18 Arizona homeowners is projected to be in foreclosure over the next two years.

Homeowners being foreclosed upon may not be the only homeowners affected, according to data cited in the report. An additional 40 million neighboring homeowners may see their property values and their municipalities' tax bases drop by as much as \$356 billion, largely over the next two years. The report finds that more often than not, states are at the forefront of developing policies and programs aimed at preventing more irresponsible loans from being made and improving residents' ability to stay in their homes. The report highlights states that are making headway to strengthen loan underwriting standards and help borrowers avoid foreclosure—and underscores that any federal legislation must complement the work being done in the states, not compromise it.

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#### IN CASE YOU MISSED IT

#### FORECLOSURE RESOURCES

The January issue of "Housing News" featured a number of useful links to resources for preventing home foreclosure. See that issue at the DMH Housing web site at:

[www.dmh.mo.gov/ada/housing/January2008newsletter.pdf](http://www.dmh.mo.gov/ada/housing/January2008newsletter.pdf)

"Stronger standards from federal policy makers could have helped avert this crisis," said Shelley A. Hearne, Managing Director of Pew's Health and Human Services Program. "Future legislation must consider ways to strengthen standards to prevent more troubling loans from being made. Let's make certain federal laws build upon, rather than preempt the strong and smart state efforts already underway and ensure that states retain flexibility to respond to local circumstances."



States are using a wide range of measures to try to prevent problematic loans from being made in the first place. In North Carolina, lawmakers have passed some of the nation's most aggressive consumer protection laws that help assure that borrowers receive loans that meet their circumstances through strong underwriting standards, such as requiring lenders to assess a borrower's ability to repay, not just at a loan's teaser rate, but also when that introductory rate adjusts. Colorado, Maine, Massachusetts, Minnesota and Ohio have followed North Carolina's lead. Ten states, including Maine, Minnesota and North Carolina, ban most prepayment penalties, which are included in about 70 percent of all subprime loans. At least a dozen states have anti-predatory lending laws that regulate high-cost loans. And nine states, including Arkansas and South Carolina, require mortgage brokers to consider or represent the interests of the borrower when recommending mortgages.



How does Missouri rate in its vulnerability to mass foreclosures and in its efforts to prevent this crisis? The Pew

report found that one in 38 Missouri homeowners is likely to experience foreclosure on their home as a result of subprime loans made in 2005 and 2006. Although that statistic places Missouri in the middle of the pack in terms of foreclosure rates—the U.S. average is one in 33 homeowners—the ripple effects from the state's foreclosures will likely cause a decrease in the property values of two in five Missouri homeowners. While the state passed a 2007 law against foreclosure rescue fraud—a step in the right direction—it had not acted to prevent future high-cost lending by the end of 2007.

The full report can be found at <http://www.pewtrusts.org>. 

**Agencies Throughout  
Missouri Receive  
Foreclosure Mitigation  
Funding from  
NeighborWorks America**

With all the bad news about current and potential home foreclosures in Missouri, there is good news as well. In the [January issue of "Housing News"](#) we listed several resources available to help homeowners prevent foreclosure, and since then another major resource has become available. The Missouri Housing Development Commission (MHDC) has received over \$700,000 in funding from NeighborWorks America (NW—formerly the Neighborhood Reinvestment Corporation) to provide counseling for people at high risk of mortgage default and foreclosure. MHDC's funding

specifically targets areas of the state with the greatest projected need—St. Joseph, Kansas City, St. Louis, and Joplin. MHDC will provide counseling through local provider agencies around the state.

Several other national organizations with Missouri affiliates also received NW funding that will cover the rest of the state; those organizations include Catholic Charities USA and Consumer Credit Counseling Service (CCCS). CCCS will specifically cover the southwest area of the state, including Springfield, Branson, Lebanon, Joplin and West Plains. To receive the NW funding, each organization must be either a HUD-approved housing counseling intermediary or a state housing finance agency. The total funding available statewide is enough to pay for over 17,000 counseling sessions.

Below is a list of the agencies who received NW funding, by city. Most agencies are local businesses or non-profits, so contact should be easily made by checking the local business phone directory. Agencies in *italics* are partnered with MHDC.

**Arnold:** ClearPoint Financial Solutions

**Bowling Green:** *North East Community Action Corporation*

**Branson:** CCCS of Springfield

**Cape Girardeau:**

- *4-Sight Counseling*

- ClearPoint Financial Solutions

**Colombia:**

- ClearPoint Financial Solutions

- CCCS of Central Ohio

**Florissant:** ClearPoint Financial Solutions



**Independence:** CCCS of Central Ohio

**Joplin:** CCCS of Springfield

**Kansas City:**

- ACORN - Kansas City
- Catholic Charities of KC-St. Joseph, Inc.
- CCCS of Central Ohio
- GKC Housing Information Center
- HomeFree-USA
- Legal Aid of Western Missouri
- NACA Kansas City
- Neighborhood Housing Services of Kansas City, Inc.

**Lebanon:** CCCS of Springfield

**Pilot Grove:** Credit Counseling of Arkansas

**Poplar Bluff:** ClearPoint Financial Solutions

**Springfield:** CCCS of Springfield

**St. Charles:** ClearPoint Financial Solutions

**St. Joseph:** CCCS of Central Ohio

**St. Louis:**

- ACORN - St. Louis
- Better Family Life
- Beyond Housing/Neighborhood Housing Services of Missouri
- Catholic Charities Housing Resource Center
- Justine Petersen Housing & Reinvestment
- NACA St. Louis
- Urban League of Metropolitan St. Louis

**West Plains:** CCCS of Springfield

**Statewide:** Missouri Housing Development Commission

For more information, [contact MHDC](#) as a statewide resource.



#### Funding News

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**Staples Foundation for Learning Offers Support for Education and Job Skills Programs**

**Deadline: June 16, 2008**

The mission of the Staples Foundation for Learning, Inc., is "to teach, train, and inspire." The foundation contributes funds to national and local charities that provide educational opportunities and job skills for all people, with a special emphasis on disadvantaged youth.

To be eligible for consideration, the applicant organizations must have tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and align with the Staples Foundation for Learning's mission and focus on job skills and education.

The requested amount of each grant can be up to \$25,000. Most grants awarded by the foundation are in the \$5,000 to \$25,000 range.



Grant decisions will be made three times a year. The proposal deadlines currently scheduled are May 2008 Decision -- proposals must be submitted between February 29 and March 14, 2008; September 2008 Decision -- proposals must be submitted between June 2 and June 16, 2008.

Organizations are eligible to apply for a grant once every twelve months.

Visit the Staples Foundation's Web site for complete program

information and instructions on submitting an online application.

**Link:**

[www.staplesfoundation.org/](http://www.staplesfoundation.org/)



**Bank of America Accepting Applications for Neighborhood Builders and Local Heroes Programs**

**Deadline: June 27, 2008**

The Bank of America Charitable Foundation Neighborhood Excellence Initiative is designed to recognize, nurture, and reward community organizations, local heroes, and student leaders who are helping their neighborhoods achieve excellence. The program makes grants and awards in forty-four U.S. markets as well as London, England.

The Neighborhood Excellence Initiative is accepting applications/nominations for the following programs:

**Neighborhood Builders:** Provides \$200,000 in core operating support and leadership training over two years to two nonprofit organizations working in each identified community to promote vibrant neighborhoods. Any 501(c)(3) nonprofit organization operating in an applicable Bank of America community that is eligible for a grant under the Bank of America Charitable Foundation's guidelines can apply. (Applicant must be registered with the Charity Commission for England and Wales for the London market.) The program seeks



organizations whose focus closely reflects local neighborhood priorities such as health and human services, education, community development, or arts and culture. Applicants should demonstrate how they have impacted their community and how grant funding and leadership development opportunities will help their organization further its work in the community.

**Local Heroes:** Recognizes and honors five heroes per year in each of the selected communities whose achievements and leadership on local issues contribute significantly to neighborhood vitality. Successful nominations will demonstrate how a nominee has made a special and significant impact on individuals, families, or the community at large; inspired others to community service; or been a catalyst for new visions, understanding, and change in a community. Recipients will each be able to direct a \$5,000 award to an eligible nonprofit of their choice. Self-nominations are accepted.

To learn more about the initiative, eligible communities, and identified community priorities, or to apply online, please visit the Bank of America Foundation Web site.

**Link:**  
<http://fconline.foundationcenter.org/pnd/15012342/bankofamerica>



### KC's Swope Health Services: Project Your Choice Bringing People Back to the Community

Since May of 2005, a dedicated group of staff at Swope Health Services in Kansas City has operated a program called Project Your Choice, or "PYC". PYC serves people with substance abuse issues who meet HUD's definition of chronically homeless, and has a challenging mission: to obtain and maintain client housing by demonstrating the effectiveness of the Housing First model; to eliminate or reduce substance abuse; to assist clients access to community and mainstream resources; and to obtain employment or employment benefits.



Qayyim Durant of Swope's Outreach staff helps refer potential clients to Project Your Choice.

DMH Housing has been proud to partner with PYC and its Program Coordinator, Marilyn Wherry, since the beginning. Marilyn is a petite woman who calmly radiates enough energy for several people, and directs a staff of four case managers and an employment specialist.

The staff currently case manages up to 60 clients at a time and is funded by a grant from the federal Substance Abuse and Mental Health Services Administration



Marilyn Wherry

(SAMHSA). DMH jointly administers a [Shelter Plus Care](#) (SPC) grant designed solely to provide rental assistance

for PYC clients, and has worked closely with Marilyn and her staff on housing issues. As of this writing, DMH's SPC grant assists 22 households. SAMHSA and SPC are the sole sources of funding for PYC.

PYC added [Dialectical Behavioral Therapy](#), or DBT, to their programming on February 1, 2008, and reports encouraging initial success with clients. DBT is an evidence-based practice that teaches emotional and interpersonal skills in both individual and group settings. Marilyn says that many PYC clients have been "extremely responsive" to DBT. Upon entering the PYC program, 78% of clients report symptoms of mental illness; this declines to 50% after being in the program for one year. On the housing front, PYC subscribes to the [Housing First](#) model, which is premised on the idea that persons experiencing homelessness respond better to interventions and social supports when they have their own housing instead of being placed





in emergency shelters or transitional housing settings.

With regard to substance abuse, Marilyn explains that the staff's philosophy has become something of a hybrid. The stated goal for clients early on is abstinence from substance use, but in many cases a harm-reduction model seems to work better as a means of damage control. Different approaches seem to be dictated by the drug of choice: patients using alcohol, for instance, can often manage to maintain their stability, but those using crack cocaine are more prone to outright failure with any resumption of use. Is Marilyn satisfied with the success of the program? "Yes and no," she says. It's easy to get people housed given the program's resources, but it's harder to keep them housed for at least one year. About 50% of clients meet that goal; 90% is the program's goal.

Project Your Choice works to restore to the community people who have been profoundly affected by addiction and homelessness. DMH salutes the PYC staff and is proud to be a partner in their efforts. For more information about Swope Health Services, visit their web site at

<http://www.swopehealth.org/>.



### **MetLife Foundation Awards for Excellence in Affordable Housing Seeks Entries**

Enterprise Community Partners (<http://www.enterprisecommunity.org/>) has officially launched the 2008 MetLife Foundation Awards for Excellence for Affordable Housing program. Created to highlight leadership, innovation, and effectiveness in supportive housing and property and asset management, the awards showcase exemplary models in the industry. This year, a total of \$180,000 will be granted to the award-winning organizations.

The awards recognize 501(c)(3) community-based or regional nonprofit organizations and Tribes/Tribally Designated Housing Entities in two categories: 1) supportive housing and 2) property/asset management. Each category will have three winners who will receive unrestricted grant funds. First-place winners will receive \$40,000 each; second-place winners, \$30,000 each; and third-place winners, \$20,000 each.

Applicants must be members of the Enterprise Network ([http://www.enterprisecommunity.org/about/network\\_membership/](http://www.enterprisecommunity.org/about/network_membership/)).

The awards will be presented to the winning organizations during the Enterprise Community Conference in Baltimore, Maryland, November 19-21, 2008.

For complete program information and application procedures, visit the Enterprise Community Partners Web site.

**Deadline: May 16, 2008**

### **Abilities Fund Provides Tools for Disabled Entrepreneurs**

The Abilities Fund is "committed to the economic advancement of people with disabilities, and devoted to the fullest expression of their entrepreneurial spirit in all its diversity, strength and boundless originality." Based in Nebraska and Iowa, the Abilities Fund operates an impressive web site, [www.abilitiesfund.org](http://www.abilitiesfund.org), which contains hundreds of resources for individuals with disabilities interested in business ownership and the organizations that serve them.

The Abilities Fund focuses on three primary markets: entrepreneurs with disabilities, microenterprise development organizations, and vocational rehabilitation agencies and other disability-related organizations. The Abilities Fund develops and serves these markets by offering a range of financial products, customized training, technical assistance, policy recommendations, and linkages to resources.

[Abilitiesfund.org](http://Abilitiesfund.org) has, among other useful features, a Resource Guide that is full of links and tools grouped around a variety of topics, such as networking, business planning, choosing a business, home-based





businesses, and pricing structures. The agency also makes microloan guarantees and referrals for qualified entrepreneurs with disabilities. Other services provided by The Abilities Fund include:

- Customized Training: The Abilities Fund believes in business ownership and wants to help you effectively facilitate self employment outcomes. One way to accomplish this goal is through on-site training that is catered to your needs and covers a multitude of topics related to entrepreneurship for your clients.

- Policy Review and Development: Having revised and developed policy in a number of states, The Abilities Fund can work with your state to create a policy that is geared towards facilitating informed choices, accessing proper service providers and establishing a framework for business funding that meets the needs of your state and budget.

- Partnering with Local Service Providers: The Abilities Fund can help you identify and cultivate relationships with local and/or statewide microenterprise development organizations. Utilizing the Feasibility First framework and augmented with disability specific training, The Abilities Fund can enhance the existing services of the partner

organization and work with you to develop an efficient and effective service delivery system.

- Business Plan and Funding Assistance: The Abilities Fund is your link to information necessary to properly assist your clients in making informed choices about the business planning process. On a client specific basis, we can assist in developing their business plan or are available to review your client's completed business plans and provide recommendations. The Abilities Fund can also help entrepreneurs access the necessary capital required to launch their ventures because we believe VR should not be responsible for funding 100% of business costs.

- Informed Choices ©: Informed Choices is a data collection tool designed to assist rehabilitation counselors with self employment outcomes. Information critical to the business planning process is capture via Informed Choices and it provides a snapshot of the clients business concept, benefits structure, and financial situation.

For more information about The Abilities Fund or to schedule a training event, please [email Patti Lind \(prlind@abilitiesfund.org\)](mailto:prlind@abilitiesfund.org), Executive Director. 🏠

## Regional Housing Meetings Schedule for June 2008

[Staff from the Missouri Housing Development Commission](#) will continue to facilitate regional housing meetings around the state. Attending one of these meetings is a great way to generate public discussion about housing and homelessness needs in your local area. Below is the meeting schedule for June 2008:

Date	Time	Location
6/3/08	9-11am	MASW 606 E. Capitol Jefferson City
6/4/08	9-11am	BJC Behavioral Health Farmington
6/4/08	2-4pm	DAEOC 99 Skyview Rd Portageville
6/5/08	9-11am	SEMO Christian Rest. Center, 1875 Speedway Poplar Bluff
6/5/08	2-4pm	Texas County Food Pantry 102 E Hwy 17, Houston
6/6/08	9-11am	Church Army 501S. 6th St. Branson
6/9/08	9-11am	Pettis Co. Community Partnership 515 S. Kentucky Sedalia
6/9/08	3-5pm	NECAC 917 Broadway Hannibal
6/10/08	9-11am	Kirksville Gardens Apartments 1501Jamison Kirksville
6/10/08	2-4pm	Green Hills Community Action, 1506 Oklahoma Ave Trenton





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